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APR 7 1952

MEMORANDUM FOR: Chief, Personnel Studies and Procedures Staff

SUBJECT: Allowance Policy and Problems

1. The principal difficulty this Office encounters in the general field of personal allowances stems from the basic conflict between our own approach to individual problems in this regard and the differing treatment accorded in similar circumstances by other Agency Offices. Obviously therefore, a firm Agency policy on these matters will go far towards adjusting this difficulty. We should, however, appreciate specific consultation on the various problems involved prior to any policy determinations. In this connection too, we wish to emphasize our view that the Agency's ability to place competent operating personnel in essential areas, and thereafter to maintain an adequate operating environment, is the prime requisite of allowance policy. It has been noted that compliance with standards established by Government agencies engaged in a different type of activity overseas has frequently been the guiding principle.

2. For allowance purposes personnel should be considered from the point of view of cover—in the two categories—official or unofficial. In the first instance, and for obvious reasons of security and diplomacy, every effort should be made to correspond to the allowance principles and procedures of the cover agency. Respecting the second category of personnel, however, there is little choice but to lay down a few general principles corresponding to both the operational task at hand and the benefits accorded to personnel in official cover status in the same areas and thereafter to proceed on an individual basis.

3. Respecting our own efforts to achieve and maintain personal allowance standards the following types give the greatest amount of difficulty in the order listed:

(a) Special housing allowances and/or alternative housing arrangements for staff personnel stationed in areas where housing is generally restricted and expensive. attached, represents an effort to deal with this particular problem.

(b) Medical care of staff personnel and the extent of concurrent benefits, such as travel, for dependents.

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The medical care for dependents as such, although not a frequent issue, is worthy of consideration.

- (c) Cash advances or loans for purposes other than travel.
- (d) Representation allowances.
- (e) Special allowances in all categories; specifically, at the moment,

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Chief, Administration
Special Operations

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Attachment